1	A Yes, I am.
2	Q Looking at the first paragraph of that
3	document, does it not identify Atlantic Pacific
4	Broadcasting Inc., a Delaware corporation, as a limited
5	partner of JEM Productions LP?
6	A Yes, that's Robin Rothschild.
7	Q And when you say, that's Robin Rothschild, do
8	you mean that Robin Rothschild owned 100 percent of
9	Atlantic Pacific Broadcasting, Inc.?
10	A As far as I know.
11	Q Do you ever see any corporate documents of
12	Atlantic Pacific Broadcasting, Inc.?
13	A No.
14	Q Did you ever seen anything showing the
15	ownership, any written documents showing the ownership
16	of Atlantic Pacific Broadcasting, Inc.?
17	A No, I did not.
18	Q Upon what basis do you determine that
19	Atlantic Pacific Broadcasting Inc. was 100 percent
20	owned by Robin Rothschild?
21	A Because that's what was presented back to me
22	on the 26th of February with Robin and with Peter.
23	Peter was Baylan and Robin was Atlantic Pacific.
24	Q Okay. Do you know if Atlantic Pacific
25	Broadcasting Inc. has any other business interests?
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1	A	I think they do.
2	Q	You think they do? What business interests
3	do you be	lieve Atlantic Pacific has?
4	A	I think they have, number one, Robin's radio
5	station u	p in Vermont.
6	Q	Is that WAVY-FM?
7	A	Yes.
8	Q	In Wilmington, Vermont?
9	A	Yes.
10	Q	And you believe Atlantic Pacific Broadcasting
11	Inc. owns	that station?
12	A	Robin Rothschild does.
13	Q	Okay. I direct your attention to Peaches
14	Exhibit n	umber 17, which is previously received.
15	A	Please tell me what it is. Mine is not
16	Q	That's the page from your application.
17	A	Does it say ownership information?
18	Q	Legal qualifications of the
19	A	Here it is.
20	Q	I direct your attention, Ms. Morgan, to the
21	bottom	to the right column of that document, line
22	number 7,	column 3.
23		Do you see that?
24	A	Yes, I do.
25	Q	It refers to WAVY, Wilmington, Vermont.

1	A Yes, I do.
2	Q Okay. It states that Robin Rothschild owns
3	89 percent of that station?
4	A Oh, that's right. I see that.
5	Q Okay. Do you know who owns the other 11
6	percent of that station?
7	A I think her husband does, her ex-husband.
8	Q Okay. So that if Atlantic Pacific
9	Broadcasting Inc. is, in fact, a company that owns
10	WAVY-FM, then would that indicate that when Atlantic
11	Pacific Broadcasting Inc. was a limited partner of JEM
12	Productions LP, that in fact, Ms. Rothschild's husband
13	owned 11 percent of that interest?
14	A That could be.
15	Q You don't know that for a fact, though?
16	A I don't know it for a fact.
17	Q Ms. Morgan, is Mr. Knobel this may have
18	been asked is Mr. Knobel an applicant for other
19	broadcast facilities?
20	A Is he part of other applications, yes.
21	Q And how many other applications does he
22	currently involved in?
23	A I think about three.
24	Q Do you know if Mr. Knobel has any financial
25	obligations to those other applicants?

1	A	Yes, he does.
2	Q	When did you learn that?
3	A	When did I learn that? Sometime last year.
4	Q	Did he have any financial obligations from
5	any other	applications at the time you filed your
6	application	on?
7	A	Not to my knowledge.
8	Q	So you didn't discuss that with him prior to
9	the appli	cation being filed?
10	A	No.
11	Q	Ms. Morgan, you stated that Mr. Knobel is
12	committed	to make a loan to JEM Productions LP? Is
13	that corre	ect?
14	A	That is correct.
15	Q	Okay. And that loan is in the amount of
16	\$250,000?	
17	A	That is correct.
18	Q	And has Mr. Morgan ever made any loans to you
19	personall	y in connection with the application?
20	A	Personally?
21	Q	Personally to you?
22	A	What do you mean personally?
23	Q	Has he lent money to you to pay your share of
24	the appli	cation costs?
25	A	No. My share of the application was, as

1	stated in the agreement, was \$1800 for the filing fee.
2	So I don't think he's lent me money personally.
3	Q Okay. When Mr. Knobel provides money to JEM
4	Productions, how does he go about doing that?
5	A He writes a check and then I write a check to
6	pay whatever it is.
7	Q And his check will be made to
8	A To Joyce Morgan.
9	Q And you put it in your personal account?
10	A And then I write a personal check.
11	Q Okay. JEM has no bank account of it's own?
12	A That's correct.
13	Q And it's never had a bank account?
14	A That's correct.
15	Q Referring you back to the agreement of
16	limited partnership of JEM Productions Limited
17	Partners, looking at the document I just provided you,
18	Northeast Florida number 8, the first page of the
19	agreement of limited partnership, I'm not sure it's
20	going to be necessary to well, I'll ask you and then
21	I'll decide what we need to do.
22	The exhibit that I referred to, it's just the
23	first page of an extensive limited partnership
24	agreement, is that correct?
25	A That is correct.

1	Q You're familiar with the limited partnership
2	agreement itself in general terms?
3	A Yes.
4	Q Do you recall who prepared that agreement?
5	A Who prepared the agreement?
6	Q Yes. What attorney in particular?
7	A Battle, Fowler I don't know the attorney's
8	name.
9	Q Okay. But you testified earlier that Battle,
10	Fowler is Mr. Knobel's attorney, that firm represents
11	Mr. Knobel, is that correct?
12	A Correct. He uses that firm.
13	Q So that it's fair to state that Mr. Knobel'
14	law firm prepared your agreement of limited
15	partnership, dated February 27, 1991?
16	A That is correct.
17	Q And would that also be true for the agreement
18	of limited partnership dated May 2nd, 1991?
19	A Yes, that's the same agreement with taking
20	Robin Rothschild and Atlantic Pacific Broadcasting out
21	and changing it to a 50-50 agreement.
22	MR. WINSTON: I believe I'm finished with
23	this witness. No more questions, Your Honor.
24	JUDGE LUTON: White, do you have questions?
25	MR. WHITE: No questions, Your Honor.

1	MR. HALAGAO: I have a couple on redirect,
2	Your Honor.
3	REDIRECT EXAMINATION
4	BY MR. HALAGAO:
5	Q Ms. Morgan, you testified about your civic
6	involvement in Jacksonville, Florida. You mentioned
7	some civic organizations that are not job-related.
8	Would you tell us how much time you have done
9	with these organizations in your own words, please?
10	A When I said they're not job related
11	MR. WINSTON: This goes beyond the scope of
12	cross.
13	MR. HALAGAO: Your Honor, I think that was
14	the that was one of the cross examination questions
15	of Ms. Robinson.
16	JUDGE LUTON: Well, as I remember it, the
17	cross examination did indeed have an identification of
18	those activities which were not job related. But none
19	of that cross examination had anything to do with the
20	amount of time that the witness spent on those
21	respective activities.
22	And your questions goes to the time and that
23	can be an important matter in these cases and it's not
24	stated in your direct as I glanced at it. And I
25	believe that to permit you to inquire now in terms of

1	the time that's spent on these activities would permit
2	you to supplement improperly the written direct.
3	In any event, I'm going to sustain the
4	objection, because the question does go beyond the
5	scope of the cross. The objection is sustained.
6	BY MR. HALAGAO:
7	Q Ms. Morgan, in your testimony that there were
8	organizations that you identified as non-job related.
9	Of all your civic activities in Jacksonville, what is
10	the percentage of job-related and non-job-related in
11	these organizations? You testified that and you named
12	some of them as non-job related.
13	A The percentage of what's non-job related to
14	me has to do with the actual time that you go to do all
15	of this community work. My community work was never
16	done on job time. My hours were from 3 to 11:30. I
17	have to meet deadlines, so there's no way to do
18	anything during job time.
19	All of my activities were done 8 o'clock in
20	the morning, 12 noon luncheons, after I got off the 6
21	o'clock news at 6:30, from 6:30 to 8:30, that was when
22	I did all of my work with the organization of black
23	communicators.
24	MR. WINSTON: I move to strike. It's non-
25	responsive, Your Honor.

1		JUDGE LUTON: A percentage is what's being
2	asked for	•
3		BY MR. HALAGAO:
4	Q	Ms. Morgan, you can possibly
5	A	I suppose in that respect then, it would be
6	almost 95	percent.
7	Q	Ms. Morgan, you testified that Mr. George
8	Newton is	your consultant, is that correct?
9	A	That is correct.
10	Q	When you first met Mr. Newton, did he give
11	you some	of a seminar on what the business was all
12	about?	
13	A	Yes, he did.
14	Q	Did he give you a lot of information about
15	the proce	ss?
16	A	Yes, he did.
17		JUDGE LUTON: You're asking leading
18	questions	•
19		MR. HALAGAO: I'm sorry, Your Honor.
20		BY MR. HALAGAO:
21	Q	What did Mr. Newton give you when he
22	A	He gave me basically a packet that shows the
23	different	fees that the FCC charges for different
24	things, t	he application fee, the hearing fee, that kind
25	of thing.	He gave me information about how to file,

1	how to do public notices, just a variety of information
2	concerning how to go about filing an application with
3	the FCC.
4	Q Did Mr. Newton tell you about his previous
5	JUDGE LUTON: That's another leading
6	question. It's going to come out leading.
7	BY MR. HALAGAO:
8	Q Okay. What was Mr. Newton's employment at
9	the time?
LO	MR. WINSTON: Objection, Your Honor. It's
11	outside the scope of cross.
12	JUDGE LUTON: I'm going to view this one as
13	introductory to something that's going to take us back
14	into cross. Overruled.
15	THE WITNESS: His current employment was a
16	consultant. His former employment was with the FCC.
17	BY MR. HALAGAO:
18	Q You testified that WAVY-FM might be owned by
19	Atlantic Pacific, one of the limited partners in your
20	regional or your February 1991 agreement, partnership
21	agreement.
22	A That is correct.
23	Q You're not sure are you sure on that?
24	A No, I'm not. I assume that Atlantic is Robin
25	Rothschild's.

1	Q But you're not sure.
2	MR. WINSTON: That's a leading question, Your
3	Honor.
4	MR. HALAGAO: Well, Your Honor, I'm asking
5	whether she's sure that the corporation owns the
6	station?
7	JUDGE LUTON: I know, but there are ways to
8	do it and there are ways not to do it. One of the ways
9	not to do it is by asking leading questions.
10	BY MR. HALAGAO:
11	Q Okay, Ms. Morgan, I will skip that question,
12	Your Honor.
13	Do you have your own attorney who reviewed
14	the partnership agreement later on?
15	A The second partnership agreement, yes. My
16	local attorney reviewed it.
17	JUDGE LUTON: Now that's leading. The
18	witness could have been asked, more properly would have
19	been asked, was her second limited partnership
20	agreement reviewed by anyone, and if so, whom?
21	But you turned it into a leading question by
22	suggesting to the witness the answer to the question,
23	which is the one that she gave. Yes, my counsel
24	reviewed it.
25	MR. HALAGAO: I will rephrase the question,
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1	Your Honor.
2	JUDGE LUTON: I'm sorry?
3	MR. HALAGAO: I could rephrase the question.
4	JUDGE LUTON: Well, you've already gotten an
5	answer to it. You might as well go on to the next one.
6	MR. HALAGAO: I think that's all I have.
7	JUDGE LUTON: All right. Recross?
8	RECROSS EXAMINATION
9	BY MS. ROBINSON:
LO	Q Ms. Morgan, when you were asked about the
L1	percentage of times spent on your civic activities, was
12	your answer prompted basically by the time spent
13	outside of your working hours? You mentioned your
14	working schedule.
15	A Correct.
16	Q So was that response in relation to the time
17	spent outside of your working hours?
18	A I guess so, yes.
19	Q But, I'm not sure if that's addresses whether
20	or not some of those activities were related to your
21	role as a newscaster in the market, so could you
22	clarify that?
23	A Well, first of all, one of the biggest
24	reasons that any person calls me is because they know
25	who I am, because I'm on television. It's very easy.

1	The second reason they call you is because
2	they know you'll do it. You see, I don't have to do
3	any of it.
4	Q So, can I take your response as to mean that
5	your activities were prompted by requests by other
6	people?
7	A Some of them are. Like if I speak at
8	schools, of course, I wouldn't know that school was
9	having an activity if the school didn't call me.
10	Some of the activities I initiated. For
11	instance, we did a career day seminar in, I think,
12	Lotte Middle School or Elementary or something. But I
13	initiated that in that I said, "why don't we do a
14	seminar. I can get several broadcasters to come in and
15	help on this."
16	So in some instances
17	Q Could we narrow down those instances that you
18	initiated specific activities?
19	A Oh, gosh.
20	Q Do you have your direct exhibit in front of
21	your?
22	A Let me see. Oh, that's a lot of time. That
23	is quite a time consuming task. Do you want me to go
24	down each list?
25	Q Just the first paragraph under your
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1	experience?
2	A Yeah, that's what I mean. Try to go down
3	each list and try to list out different committees or
4	whatever I served on that I initiated the action to
5	serve on. For instance, you're talking maybe with the
6	United Way, where I was on the Board of Directors, but
7	I served on the allocations committee because I said I
8	wanted to serve.
9	JUDGE LUTON: What is the question?
10	MS. ROBINSON: The question her earlier
11	answer alluded to an understanding that, when we asked
12	our job relatedness, that it meant civic activities
13	performed outside the time spent at the job, outside
14	the hours. So I'm trying to narrow down those civic
15	activities which she initiated, which were prompted by
16	her interest in the community, as opposed to her being
17	requested by some outside party. Those civic
18	activities that she
19	THE WITNESS: What I'm saying to you is do
20	you want me to split them up into
21	BY MS. ROBINSON:
22	Q No, just give me some samples or just a few
23	examples.
24	MR. WINSTON: Your Honor, the problem I'm

having is the answers tend to be non-responsive. They

25

1	seem to be supplementing her description of her civic
2	activities as opposed to
3	JUDGE LUTON: Care ought to be exercised in
4	putting the questions to the witness in that event.
5	MR. WINSTON: I hear that concern, Your
6	Honor. It appears that all we're getting is a
7	supplement to the direct case, rather than a response
8	to the question
9	MS. ROBINSON: I'll withdraw it.
10	JUDGE LUTON: Well, the witness is doing the
11	best she can with the questions that are put to her. I
12	don't know what I'm supposed to do here.
13	BY MS. ROBINSON:
14	Q Ms. Morgan, in the list of activities which
15	are stated here, for example, the Jacksonville Urban
16	League Auxiliary. Was that an activity that was
17	initiated by you?
18	A Yes.
19	MS. ROBINSON: Nothing further.
20	MR. WINSTON: No questions, Your Honor.
21	JUDGE LUTON: Next witness.
22	MR. HALAGAO: I'm calling on Mr. Knobel, Your
23	Honor.
24	
25	

1	Whereupon,
2	PETER B. KNOBEL
3	was called as a witness and, having first been duly
4	sworn, was examined and testified as follows:
5	JUDGE LUTON: Please be seated.
6	DIRECT EXAMINATION
7	BY MR. HALAGAO:
8	Q Mr. Knobel, would you please state your name,
9	full name and address?
10	A Peter Baylan Knobel, 239 Central Park West,
11	New York City, New York.
12	Q Mr. Knobel, what's your participation in the
13	application of JEM Productions Limited Partnership?
14	A A limited partner.
15	Q And, how much is your participation or equity
16	interest in this
17	A I have agreed to loan \$250,000 plus various
18	capital.
19	MR. HALAGAO: Your Honor, I think Mr. Knobel
20	is ready to have cross examination now.
21	JUDGE LUTON: That last question. You asked
22	for his equity interest. It's 50 percent, isn't it?
23	THE WITNESS: It's 50 percent.
24	JUDGE LUTON: Cross.
25	

1	CROSS EXAMINATION
2	BY MS. ROBINSON:
3	Q Good morning, Mr. Knobel.
4	A Good morning.
5	Q I think we've met before. My name is Rhonda
6	Robinson and I'm appearing on behalf of Peaches
7	Broadcasting.
8	How are you employed?
9	A How am I employed? I own various investment
10	companies.
11	Q And how did you come to know a gentlemen,
12	Salvador Serrano?
13	A I met him through George Newton.
14	Q And how did you come to know George Newton?
15	A My wife's friend is his daughter.
16	Q Okay. What prompted your involvement in this
17	particular application?
18	A His daughter owns a radio station, WAVY in
19	Vermont. I knew Robin Rothschild when she was a she
20	used to be a work out teacher at health clubs in New
21	York City. She is my wife's oldest friend. And she
22	got to talking to us about radio stations.
23	Q And how did that lead to your involvement?
24	A My wife, George approached my wife or Robin
25	had told my wife about an application in Montauk, Long
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1	Island. We have a weekend home in Suffolk County,
2	which is the county that Montauk is in. And Robin
3	said, "wouldn't it be great if you owned the radio
4	station." And also to my wife. My wife thought it
5	would be a good idea.
6	George contacted me wife, came up to see my
7	wife and educate her on what the possibilities were to
8	owning a radio station and I got to listen, so I would
9	pop in and out and then my wife discussed it with me
10	and my wife applied for the radio station, the
11	application.
12	Q For which radio station?
13	A The Montauk application.
14	Q Okay, but as far as this application, how did
15	you
16	A After my wife started working with George
17	Newton, I got to know him better and better and said to
18	George, maybe there would be other when I started to
19	understand the program maybe there would be other
20	applicants around the country who needed financing.
21	So George said that his business was going
22	out and putting these projects together. I said,
23	"well, when you find an applicant, have them call me
24	and let me know whether they could use me as a
25	prospect." And that's occurred in this situation.

1	Q So that's what prompted finding Joyce Morgan,
2	your request by them to
3	A No, I had no request. I said to George that
4	I would be interested as an investor in other radio
5	applications. And that I had no specific needs, say,
6	Jacksonville or Oklahoma or Tennessee, wherever. If he
7	had an applicant who was interested, that I would
8	review who the applicant was and their qualifications
9	and maybe I would become their financial partner.
10	Q But they, in fact, found you Joyce Morgan?
11	A Correct.
12	Q What is the function of Mr. Serrano is this,
13	besides what you've mentioned. Are there any
14	additional roles that he's played?
15	A Be more specific.
16	Q What is his overall role in the application,
17	Mr. Serrano, beside matching you with your partner. Do
18	you know of any other
19	A I believe he's an engineer.
20	Q An engineer?
21	A Yes.
22	Q Not in this particular application?
23	A I don't specifically know.
24	Q But as far as his particular role in this
25	particular application, what is your knowledge of his

1	role?
2	A Mr. Serrano's. I don't know.
3	Q Okay. Are you familiar with your deposition
4	which was taken earlier this year?
5	A Yes.
6	Q I'd like to read into the record some
7	information. Maybe I can show it to you, too.
8	A Sure.
9	Q Pages 28 and 29.
LO	A Okay.
11	Q Bottom of Page 28 and I'll just read
12	pertinent parts of it.
13	JUDGE LUTON: No. Excuse me. That's not why
14	we use depositions. Not everything that goes on at a
15	deposition is relevant to a hearing. So to simply read
16	it merely on your belief, you've got to go through the
17	witness by putting questions to the witness.
18	MS. ROBINSON: Okay.
19	BY MS. ROBINSON:
20	Q The portion regarding on the top of Page
21	29, which reflects an answer. The question initially
22	which was presented was relating to Joyce Morgan and I
23	guess the only way to really make sense of this is to
24	read it.
25	I wanted to find out, if, in fact, this was

1	accurate.
2	JUDGE LUTON: First of all, find out if it's
3	the witnesses testimony. There's some little
4	formalities you need to go through. Show the witness
5	the deposition testimony and ask him if he recognizes
6	it.
7	BY MS. ROBINSON:
8	Q Do you recognize it?
9	A What one?
10	Q Line 17 through 22 on Page 28. And lines 1
11	through 5, Page 29.
12	A Okay.
13	MS. ROBINSON: Your Honor, now is it proper
14	to read it into the record?
15	JUDGE LUTON: I don't think so.
16	MS. ROBINSON: I'm sorry.
17	JUDGE LUTON: I don't think so.
18	BY MS. ROBINSON:
19	Q Okay, is that an accurate statement or what
20	you said on that date?
21	JUDGE LUTON: Ask the witness the question
22	you asked him at deposition. And then ask him if
23	that's his response.
24	MS. ROBINSON: That is what I intended to do,
25	Your Honor.

1	BY MS. ROBINSON:
2	Q Okay, the question which is stated here is,
3	starting from line 17 and it relates to Serrano. Did
4	he tell you how he came to know Joyce Morgan?
5	Answer: I don't know how. I don't know.
6	A It doesn't relate to Serrano. It relates to
7	George Newton.
8	Q I'm sorry, George Newton. I'm sorry.
9	A You didn't ask me anything about George
10	Newton.
11	Q Well, I'm asking you now. This relates to
12	George Newton? I wanted to know if this was, in fact,
13	an accurate statement of what was said during the
14	deposition?
15	A Semi-accurate.
16	Q Okay, why don't I continue to read it. Do
17	you know if he told you if he drove into Jacksonville
18	and saw her face on a billboard and drove to the
19	station to find out if she wanted to own a radio
20	station?
21	Answer: She has a pretty face. I guess he
22	finds pretty faces and asks them if they want to own a
23	radio station.
24	Question: Did he tell you that is what
25	happened in this case.

1	Answer: Not in those words.
2	Is that an accurate account of what was told
3	to you by Mr. Newton of what you stated during the
4	deposition?
5	A I think you have to continue because the next
6	line says, not in those words and then the next line
7	says, what words did he use? So
8	Q Okay, so how far down would you like to
9	continue to clarify that? What was your okay, I'll
10	restate that.
11	A I said he has an applicant who was interested
12	in owning and building a radio station. Would I be
13	interested in becoming her partner. I said I would
14	like to speak to her and meet her and I would let him
15	know after that.
16	Q Okay. So what prompted your comments, if
17	this is, in fact, an accurate reflection?
18	A Did he have a pretty face?
19	Q Not him, no.
20	A Did she have a pretty face?
21	Q What prompted your opinion about that, about
22	what his role was
23	A She does have a pretty face.
24	Q I'm not disputing that. I'm just trying to
25	find out why did you mention that before you clarified.

1	A	It's my technique of responding at
2	deposition	ns.
3	Q	Your technique. Was it something that he had
4	mentioned	to you?
5	A	Was it something that he has mentioned to me?
6	Q	Yes.
7	A	He gave me some of her background, that she
8	was an and	chor woman on television and I presumed that
9	she had a	pretty face.
10	Q	Do you know who pays Mr. Serrano or Mr.
11	Newton?	
12	A	Who pays them?
13	Q	Yes.
14	A	Yes.
15	Q	You do know.
16	A	The general partners pays them or will pay
17	them.	
18	Q	Okay. And when did you first speak to Joyce
19	Morgan abo	out this matter?
20	A	Sometime in 1989.
21	Q	Any month?
22	A	Sometime in November, I think.
23	Q	Okay, November?
24	A	November, September, October.
25	Q	Of 1989?

1	A Yes.
2	Q You are or were an investor in three other
3	partnerships?
4	A Yes.
5	Q Okay. Along with your investments, was there
6	the same type of parity in equity interest, 20-40-40?
7	A Yes.
8	Q And that was basically between you,
9	Rothschild and a general partner. Is that correct?
10	A Correct.
11	Q And who set those up?
12	A The percentages?
13	Q Yes.
1.4	A I had discussed with George and Joyce Morgan
15	that originally I would want to have 50 percent. But
16	it was suggested to me 20-40-40 and I felt that 20-40-
17	40 was close enough.
18	Q Okay. And then each of those applications
19	are or were you pledging the same amount?
20	A Always the same amount. Manhauken may have
21	been more money.
22	Q Would you have a copy of the partnership
23	agreement?
24	A No.
25	Q Could you turn to Page Three of that
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